SECTION B – 35 MARKS

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(PLEASE ANSWER SECTION B IN A SEPARATE ANSWER BOOKLET)

STUDENTS MUST ANSWER ALL QUESTIONS IN THIS SECTION

QUESTION 1

With reference to the National Credit Act 34 of 2005, write a note in which you explain unlawful credit agreements.

[Total Sec B Q1: 5 marks]

QUESTION 2

Mandy bought an antique oak coffee table from Suzie. Soon thereafter she hired a carpenter to clean and varnish it for her. Five months later a guest, who was visiting her, recognised the coffee table as her own. She stated that it had disappeared from her home when her house was robbed in June 2008. Mandy is prepared to hand the coffee table over to the guest, but her sister insists on obtaining legal advice. Mandy then approaches you for advice.

[Total Sec B Q2: 8 marks]

QUESTION 3

Continued/…
Akash Singh lets an outbuilding to Steven Naidoo for residential purposes. Steven is required to pay rent in the amount of R 5 000 per month. Before Steven moved into the premises he bought a bed, a fridge and a wardrobe. He also borrowed his sister’s stove and lounge suite and he brought all of these items with him to the leased premises when took occupation on 12 June 2010. Two months later, Steven sublet one of the rooms in the outbuilding to Reesha Govender (the lease entitles the lessee to sublet the premises). Reesha took occupation on 26 August 2010 and she brought a bed, a wardrobe and microwave with her. Steven paid the rent for the first eight months of the lease but subsequently ran into financial trouble and failed to pay the rent for the next six months. Akash goes to the leased premises to discuss the situation with Steven but Steven tells him that he will sort everything out and that he just needs more time. Akash fears that Steven is going to leave the premises without paying the rent and he approaches you for legal advice. Akash also fears that Steven’s estate might be sequestrated and is concerned that this might adversely affect his rights. Advise Akash on what he can do in order to secure payment of the arrear rental taking into account the concerns that he raises.

[Total Sec B Q3:12 marks]
QUESTION 4

Cyril takes out a policy with ABC Insurance Co (ABC) insuring the contents of his house against fire and theft. To be sure that he has got full cover, he takes out a second fire and theft policy with XYZ Insurance Co (XYZ). The insured amount under the ABC policy is R200 000, and under the XYZ policy, R200 000. After a fire destroys part of the contents of his house, causing damage in the sum of R200 000, Cyril claims payment of his full loss under each policy. Explain the following:

i) Is Cyril entitled to recover R200 000 under each policy? If not, what amount may Cyril recover from each insurer?

[Total Q4 (i): 3 marks]

ii) How would the presence of a ‘contribution’ clause affect the position (if at all)?

[Total Q4 (ii): 2 marks]

iii) What would be the position if the ABC contract contained a clause absolving the insurer from liability in the event of the insured having the same insurance with another insurer?

[Total Q4 (iii): 3 marks]

iv) What would be the position if both policies contained a clause to this effect?

[Total Q4 (iv): 2 marks]

[Total Sec B Q4:10 marks]

[TOTAL SECTION B: 35 MARKS]

TOTAL FOR PAPER: 70 MARKS

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